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FM AMEMBASSY CAIRO
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INFO RUEHXX/ARAB ISRAELI COLLECTIVE
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C O N F I D E N T I A L SECTION 01 OF 03 CAIRO 002577

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E.O. 12958: DECL: 08/20/2017

TAGS: [PGOV](#) [PREL](#) [EG](#)

SUBJECT: RUMORS OF A CABINET RESHUFFLE AND CHANGES TO
RULING PARTY LEADERSHIP

REF: A. CAIRO 2305

[B](#). 2006 CAIRO 7034

[C](#). 2006 CAIRO 6961

[D](#). 2006 CAIRO 5384

Classified By: DCM Stuart Jones, for reasons 1.4 (b) and (d).

[1](#)1. (C) Summary: Cairo is abuzz with rumors of a looming cabinet reshuffle, with conjecture focusing on expected changes in the ministries of Justice, Social Solidarity, Culture, Housing, and perhaps a change of the Prime Minister.

Speculation also abounds about an imminent shake-up in the leadership of the ruling party, sparked by the recent announcement that, for the first-time in the National Democratic Party's (NDP) 29-year history, the party's president will be elected. A cabinet reshuffle is unlikely to have a major impact on broad government policies, but would be aimed at shedding ministers who have become political liabilities. Viewed through the lens of presidential succession, changes to the cabinet and the NDP leadership will gauge presidential son and presidential aspirant Gamal Mubarak's prospects. If Gamal is able to jettison some of the NDP old guard, and consolidate his control of the party and cabinet apparatus by appointing his own loyalists, he will be in a stronger position once the succession gets underway. End summary.

CABINET CHANGES COMING?

[1](#)2. (C) Rumors of a possible cabinet reshuffle are swirling through the stifling heat of summer in Cairo, with both political elites and the press focused on the issue. Egypt's last cabinet shake-up occurred on August 27, 2006 (ref D); a minor reshuffle that followed weeks of speculation akin to the current gossip among Egypt's political classes. President Hosni Mubarak hates to follow the pack, and may choose to make no changes to his ministerial line-up just to confound the pundits. However, in a sign that shifts are at least under consideration, several of the reports about imminent ministerial changes have been published in the state-owned media, including an August 8 front-page editorial by the editor-in-chief of the government-backed "Al Akhbar," quoting a "senior government source" as saying that a cabinet reshuffle is coming soon.

[1](#)3. (C) Media speculation and the analysis of our contacts posits that any cabinet change may include some of the below ministers:

-- Prime Minister (Ahmed Nazif): Whether Nazif's tenure will continue is the key question on the minds of politically-inclined Cairenes. Nazif, PM since 2004, has led the government in implementing various economic reforms, but

his privatization and liberalization initiatives have garnered intense criticism from his detractors. Many observers assert that Nazif will stay on as PM, and that he has Mubarak's full confidence. Other analysts hypothesize that, due to the alleged rivalry between Nazif and presidential son Gamal Mubarak, Nazif will be replaced by either current Minister of Trade and Industry Rachid Mohamed Rachid (a close Gamal ally, and an economic reformer with an excellent track record at his ministry), Farouk Al Okda (currently governor of the Central Bank), or Gawdat El Malt (Director of the Central Auditing Agency, who is reputed by journalists to "have the confidence of leading NDP figures.") We think Nazif will stay.

-- Minister of Justice (Mamdouh Marei): Marei's one-year tenure has been characterized by bitter, public disputes with the various branches of the influential, independent-minded Judges Club (ref B). The latest squabble between Marei and the State Council Judges Club, precipitated by Marei publicly comparing the Club's chairman to a famed Egyptian actress known for her weepy, drama queen roles, resulted in Mubarak appointing a 3-man committee to assess Marei's ministerial performance. Marei is widely disliked throughout his ministry, and our judicial contacts assess that with his tough tactics against the Judges Club, Marei has fulfilled the purpose for which he was appointed, and that Mubarak may now take this opportunity to appoint a less controversial figure as minister. Rumored replacements are Moqbil Shaker (currently head of the Supreme Judicial Council) and Ossama Atteweya (now one of Marei's deputies); both have long and close contacts with the U.S.

-- Minister of Social Solidarity (Ali Al Moselhy): Mubarak needs a fall guy to be the focal point for public ire over

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various problems plaguing Egypt, such as alleged shortages of drinking water, problems with the strategic wheat reserves, and the rising cost of living. It appears that Moselhy himself expects to be the scapegoat. In an August 15 meeting with USAID's Acting Mission Director, Moselhy implied that he was soon to lose his job, noting, "I am not afraid to speak my mind. That's why I am out. I am out." Only a few names have been mentioned as a replacement, among them NDP whiz kid and close Gamal advisor Mohamed Kamal.

-- Minister of Culture (Farouk Hosni): Hosni, a 20-year veteran of the cabinet, is largely unpopular with Egyptians, due in part to his liberal opinions (ref C), but he has been kept in the minister's chair for decades, reputedly because he is a favorite of First Lady Suzanne Mubarak. Egypt recently announced a campaign for Hosni to be appointed as UNESCO Director-General. The election will not take place until 2009, but our contacts speculate that the excuse of Hosni needing to wage a time-consuming campaign for the UNESCO position provides a face-saving means for Mubarak to rid the cabinet of the unloved Hosni, who is currently also facing a corruption scandal within his ministry.

-- Minister of Housing, Utilities and Urban Development (Ahmed Maghrabi) and Minister of Transport (Mohamed Mansour): Both of these ministers, often pilloried in Egypt's independent press for being out-of-touch, ineffective wealthy businessmen, have been consistently rumored in the media as likely to be removed. The loss of either would be a blow to Egypt's economic reform agenda. However, Maghrabi in particular may be deemed by Mubarak to have become a liability for the government, after his tone-deaf comments in recent days about the availability of drinking water, coming against the backdrop of increasing public concern over the issue.

-- Several press reports have also mentioned the possible replacement of Minister of Foreign Affairs Ahmed Aboul Gheit, Minister of Higher Education Hany Mahfouz Helal, and Minister of Water Resources and Irrigation Mahmoud Abou Zeid. Sacking

Abou Zeid could be appealing for Mubarak, as he could play the role of scapegoat for the current drinking water problems.

RULING PARTY LEADERSHIP SHAKE-UP IN THE WORKS

14. (SBU) Simultaneous with rumors of a cabinet reshuffle, speculation has abounded about a looming change in the leadership of the ruling party, sparked by the recent announcement of NDP secretary-general Safwat El Sherif that, for the first-time in the NDP's 29-year history, the party's president will be elected (ref A). The election itself will take place at the November 3-5 NDP party conference, with the 5,500 conference delegates voting. Sherif has tried to quell rumors that the election of an NDP president means Mubarak would be replaced, stating publicly that he was unaware of any NDP member other than President Mubarak who was "ready to run for the post," and that those who believe the elections "open the door for Gamal Mubarak to inherit power from his father are living in an imaginary world."

15. (C) Nonetheless, it appears possible, though not certain, that Gamal may indeed aim for the NDP presidency. In a recent meeting with poloff, a close advisor and associate of NDP secretary for organization and Gamal crony Ahmed Ezz asserted that "Gamal will make a play for the presidency of the party in November Ezz thinks he should have done this directly after the 2005 presidential elections, and is urging Gamal to stop delaying and make this move." Gossip in Cairo's political salons is that the Gamal clique will also move to unseat long-time NDP SYG Sherif at the November conference, sidelining him to a vice-presidential party position, and replacing him with a Gamal stalwart such as Aly El Din Helal, currently the NDP's media secretary.

COMMENT

16. (C) Although a cabinet reshuffle is unlikely to have a major impact on broad government policies, cabinet changes and an NDP leadership shake-up would be useful gauges of how strong Gamal is, and how much his father supports his presidential aspirations. If Gamal is able to jettison some of the NDP old guard, and consolidate his control of the party and cabinet apparatus through the positioning of his loyalists, he will be in a stronger position to control the

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power dynamics and make a successful play for the presidency, once the succession process gets underway.

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